

# EMPIRICAL STUDY OF PURCHASE INTENTION AND DECISION OF E-COMMERCE CONSUMERS IN INDONESIA BASED ON ISLAND OF RESIDENCE AND MONTHLY HOUSEHOLD INCOME

## OBJECT OF THE STUDY

Indonesian consumers who have shopped online using at least one of the twelve most popular EC sites in Indonesia.

## OBJECTIVES

Identifying the critical factors influence the E-commerce purchase intention based on consumer island of residence and monthly household income (MHI) in Indonesia.

Some factors identified in this research: security, website quality, social influence, convenience, economic, hedonic motivation, variety, facilitating condition, and delivery.

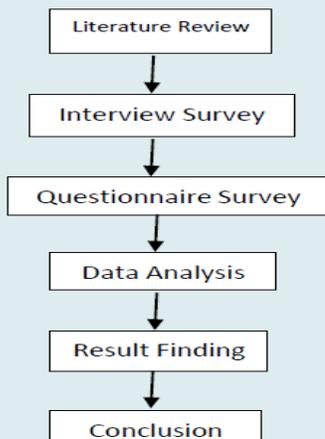
## RESEARCH QUESTIONS

- to study factors influencing consumer purchase intentions and decision using e-commerce websites for consumer in Java and Sumatera island.
- to study factors influencing consumer purchase intentions and decision using e-commerce websites for consumer considering their monthly household income.

## CATEGORIES

Island of Residence: Java and Sumatra  
Monthly Household Income (MHI): MHI less than Rp. 5 million and MHI more than Rp. 5 million.

## **METHODOLOGY**



## RESULTS AND CONCLUSION

Factors that significantly influence Purchase Intention and Decision of E-commerce Consumers in Indonesia based on island of residence:

- Hedonic motivation, convenience, and economic reason/price are significant influence the purchase intention for consumer in Java.
- Purchase intention and facilitating condition are significant influence their purchase decision to use e-commerce websites for shopping online.

Factors that significantly influence Purchase Intention and Decision of E-commerce Consumers in Indonesia based on MHI:

- Facilitating condition and perceived website quality are significant affecting purchase intentions for both consumers.
- Security is significant affecting purchase intentions for consumers who have MHI less than 5 million rupiah.
- Economic reason/price and social influence are significant affecting purchase intentions for consumers who have MHI more than 5 million rupiah.
- Security, economic reason/price, and social influence are moderated by monthly household income.
- delivery is not a factor that motivates consumers in Indonesia to use e-commerce.

## FUTURE RESEARCH

The current research is with its limitations for the generalizability of the current findings. Indonesia is having high mobile phone and internet penetration rates but a relatively low rate of online shopping. These findings may differ from those studies on other countries with different situation. Consequently, additional variables could be added as strong predictors in the purchase intention and decision in such countries. In addition, demographic conditions such as gender, age, area of residence, and occupation could be explored as well in future research.

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